

CITY OF ENCINITAS

Proposition F

(This proposition will appear on the ballot in the following form.)

PROP F

Shall an ordinance be approved to amend Section 3.12.030 of the Encinitas Municipal Code to require guests of short term rental units (for 30 days or less) to pay 8% of the rent charged as a transient occupancy tax effective January 1, 2009?

This proposition requires approval by a simple majority (over 50%) of the voters voting on the proposition.

CITY ATTORNEY IMPARTIAL ANALYSIS

EXISTING LAW: The City of Encinitas currently imposes a transient occupancy tax on any hotel guest who rents a unit in a hotel for 30 days or less at a rate of 8% of the rent charged by the hotel operator. Under existing law, any such rental in any structure or portion of any structure which has three or more units is subject to this tax. The term "hotel" is defined to include hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other. The tax revenues derived may be utilized by the City for any municipal purpose.

EFFECT OF MEASURE ON EXISTING LAW: If a majority of the votes cast on this measure are "yes," then commencing on January 1, 2009, existing law would be amended to apply the application of the transient occupancy tax regardless of the number of units in a structure and to expressly include short term rental units (for 30 days or less) in the definition of the term "hotel." Consequently, any guest of a hotel (as defined), regardless of the number of units contained in the structure, along with short term rentals, would be required to pay a transient occupancy tax at a rate of 8% of the rent charged for use by the City for any municipal purpose.

FISCAL IMPACT: Undetermined. The amount of tax revenue that will result from the proposed tax cannot be determined in advance of knowing the amount of rents received by operators of short term rentals.

The above statement is an impartial analysis of Proposition F. If you desire a copy of the ordinance, please call the City Clerk's office at 760-633-2601 and a copy will be mailed at no cost to you.

ARGUMENT IN FAVOR OF PROPOSITION F

Every guest staying in Encinitas Hotels, Motels and visitor lodging establishments pay Transient Occupancy Tax (TOT). This helps to pay for local services such as our Sheriff, Fire, Lifeguard, etc.

IMPORTANTLY, T.O.T. IS PAID BY VISITORS ONLY, NOT BY HOTEL OWNERS OR CITY RESIDENTS.

Since 1997, many of our local single family residences have been purchased and converted to short-term rental units. These short-term units act very much like a lodge or mini-hotel and are advertised as such worldwide. Most of these new mini-hotels are west of Interstate 5 to take advantage of our beaches and other amenities.

Guests of these mini-hotels use the same infrastructure and services as guests staying at traditional lodging facilities. The big difference between these guests and other guests staying in traditional lodging facilities, is that they do not pay to support the local services they use.

A vote for this measure will ensure these visitors pay the current 8% TOT, as all other visitors do, and contribute their fair share for local services and maintenance. This is truly an issue of fairness, equity and sustainability of our valued community.

JAMES BOND
Councilmember

DAN DALAGER
Councilmember

CHARLIE SOUGIAS
Local Businessman

PEDER NORBY
Hwy 101 Coordinator

D. M. HANSEN
Owner, Hansen's

ARGUMENT AGAINST PROPOSITION F

No argument against the proposition was filed
in the office of the City Clerk.

CITY OF ENCINITAS

Proposition G

(This proposition will appear on the ballot in the following form.)

PROP G

Shall an ordinance be approved to amend Section 3.12.030 of the Encinitas Municipal Code to require guests of short term rental units (30 days or less) to pay 2% of the rent charged as a special transient occupancy tax for beach sand replenishment and stabilization projects effective January 1, 2009?

This proposition requires approval by two-thirds
of the voters voting on the proposition.

CITY ATTORNEY IMPARTIAL ANALYSIS

EXISTING LAW: The City of Encinitas currently imposes a special transient occupancy tax on any hotel guest who rents a unit in a hotel for 30 days or less at a rate of 2% of the rent charged by the hotel operator. Under existing law, any such rental in any structure or portion of any structure which has three or more units is subject to this tax. The term "hotel" is defined to include hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other. The tax revenues derived may only be used by the City for beach sand replenishment and stabilization projects.

EFFECT OF MEASURE ON EXISTING LAW: If two-thirds of the votes cast on this measure are "yes," then commencing on January 1, 2009, existing law would be amended to apply the application of a special transient occupancy tax regardless of the number of units in a structure and to expressly include short term rental units (for 30 days or less) in the definition of the term "hotel." Consequently, any guest of a hotel (as defined), regardless of the number of units contained in the structure, along with short term rentals, would be required to pay a special transient occupancy tax at a rate of 2% of the rent charged for use by the City for beach sand replenishment and stabilization projects.

FISCAL IMPACT: Undetermined. The amount of tax revenue that will result from the proposed tax cannot be determined in advance of knowing the amount of rents received by operators of short term rentals.

The above statement is an impartial analysis of Proposition G. If you desire a copy of the ordinance, please call the City Clerk's office at 760-633-2601 and a copy will be mailed at no cost to you.

ARGUMENT IN FAVOR OF PROPOSITION G

In 1998, the citizens of Encinitas approved, by the required 2/3 vote, a 2% special Transient Occupancy Tax for all guests staying in hotels, motels and bed and breakfast establishments in the City. This special 2% tax increases our total TOT to a level of 10% which is comparable to all other San Diego County cities. The big difference is that this 2% is exclusively dedicated to replenishing lost sand on our local beaches and stabilizing our shoreline for the enjoyment of our citizens and visitors.

IMPORTANTLY, THIS FEE TO PROTECT AND PRESERVE OUR BEACHES AND SHORELINE WILL BE PAID BY VISITING GUESTS ONLY, NOT BY PROPERTY OWNERS OR CITY RESIDENTS.

Right now, all visitors staying in traditional lodging such as hotels, motels, bed and breakfast guest facilities in Encinitas already contributes this 2% for beach sand replenishment and shoreline stabilization projects.

With the adoption of this special dedicated fund, the City of Encinitas was able to complete the highly successful 2001 sand replenishment project. By requiring all short-term visitors to pay this special 2% Transient Occupancy Tax, the city will be able to plan and implement additional beach sand projects in the future.

JAMES BOND
Councilmember

DAN DALAGER
Councilmember

DON HANSEN
Owner, Hansen's

PEDER NORBY
Hwy 101 Coordinator (Consultant)

CHARLIE SOUGIAS
Local Business Owner

ARGUMENT AGAINST PROPOSITION G

No argument against the proposition was filed
in the office of the City Clerk.